STATE OF COLORADO

Bill Ritter, Jr., Governor James B. Martin, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department of Public Health and Environment

May 8, 2008

http://www.cdphe.state.co.us

Laramie Energy, LLC

Attention: Bruce Payne, Executive Vice President and Chief Financial Officer

1512 Larimer Street, Suite 1000

Denver, CO 80202

Certified Mail Number: 7005 1820 0000 3213 1533

RE: Order for Civil Penalty, Number: SP-080507-1

Dear Mr. Payne:

Laramie Energy, LLC is hereby served with the enclosed Order for Civil Penalty ("Penalty Order"). The Penalty Order is issued by the Colorado Department of Public Health and Environment's Water Quality Control Division (the "Division") pursuant to the authority given to the Division by §25-8-608(2) of the *Colorado Revised Statutes*. Payment of the imposed civil penalty should be made in accordance with the methods referenced in the Penalty Order and outlined in the March 4, 2008 Compliance Order on Consent between Laramie Energy, LLC and the Division.

Thank you for your efforts in reaching a mutually acceptable resolution in this matter. If you have any questions regarding the Penalty Order or the payment of penalties and fees, please do not hesitate to contact Michael Harris of this office at (303) 692-3598 or by electronic mail at michael.harris@state.co.us.

Sincerely.

Karen Tidwell, Legal Assistant

Compliance Assurance and Data Management Section

WATER QUALITY CONTROL DIVISION

cc: Garfield County Public Health Nursing Service, Stormwater Program

ec: Kathy Dolan, Permits Unit, CDPHE

Mark Kadnuck, Technical Services Unit, CDPHE Dick Parachini, Outreach and Assistance Unit, CDPHE

Aaron Urdiales, EPA Region VIII

Enclosure(s)



COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

DIVISION OF ADMINISTRATION

WATER QUALITY CONTROL DIVISION

ORDER FOR CIVIL PENALTY

NUMBER: SP-080507-1

IN THE MATTER OF:

LARAMIE ENERGY, LLC CDPS PERMIT NO. COR-030000

CERTIFICATION NO. COR-038867 GARFIELD COUNTY, COLORADO

This matter having come to my attention as the Designee of the Executive Director of the Colorado Department of Public Health and Environment, upon petition for imposition of a civil penalty by the Water Quality Control Division's Compliance Assurance and Data Management Section, I hereby impose a civil penalty in the amount of Fifty Thousand Dollars (\$50,000.00) against Laramie Energy, LLC for the violations cited in the Compliance Order on Consent between Laramie Energy, LLC and the Division, executed on March 4, 2008 (the "Consent Order"). A copy of the Consent Order is attached hereto as Exhibit A and is incorporated herein by reference. The civil penalty shall be paid within thirty (30) calendar days of the date of this Order for Civil Penalty as set forth in the Consent Order.

"Method of payment shall be by certified or cashier's check drawn to the order of the Colorado Department of Public Health and Environment," and delivered to:

Michael Harris
Colorado Department of Public Health and Environment
Water Quality Control Division
Mail Code: WQCD-CADM-B2
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530"

Dated this 7th day of May, 2008.

Steven H. Gunderson, Director

Water Quality Control Division

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT